

INCOMING TELEGRAM

Department of State

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CORRECTION ISSUED

10/18/58 9:07 a.m.

Rec'd DEPT OCT 16, 1958

12:55 p.m.

REVIEWED BY *G. W. Razi*DATE *May 6, 1982*

PROJECT IDENT. DATE

TO AUTH. REASON(S)

PROJECT IDENT. NUMBER(S)

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PA or FOI EXEMPTIONS

FROM: Benghazi - CORRECTED COPY

TO: Secretary of State

NO: 185, October 16, 5 p.m.

SENT DEPARTMENT 185; REPEATED INFORMATION-TRIPOLI-UNNUMBERED.

JOINT EMBASSY/USOM MESSAGE

Benghazi Harbor

References: A. ICATO 182; B. EMBTEL 164; C. Tripoli's TOICA
A-706, Fiscal Year 58.

Believe requirement GOL request DLF loan finance foreign-exchange costs Benghazi Harbor not feasible negotiate and attempt do so would strengthen Prime Minister's attitude reported in reference B; i.e., that US aid not responsive political necessities GOL. However, prepared attempt negotiation this basis if I am authorized convey to GOL assurance in principle DLF loan will be granted on generous terms if requested. Without some assurance believe US position untenable. Furthermore, we would be rightly liable charged bad faith if loan rejected. If assurance not forthcoming from DLF, request withdrawal conditions placed foreign-exchange costs Harbor proposal in MPB. Assume reference A implies local costs admissible under grant aid program. Wish re-emphasize as background your decision (a) since 1954 GOL has expected Benghazi Harbor rehabilitation to be financed from US grant aid and desire achieve this major objective now greater than ever as counterpoise Soviet offers, and (b) GOL is increasingly reluctant contract loans (which require parliamentary approval).

AAL:LDC/10

Correction made
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